



STATE OF WASHINGTON
PUBLIC DISCLOSURE COMMISSION

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August 31, 2006

The Honorable Rob McKenna
Attorney General of the State of Washington
PO Box 40100
Olympia, WA 98504-0100

Dear General McKenna:

On February 7, 2006, your office received a citizen action letter from Richard Pope alleging that the 2001 Dwight Pelz Campaign for King County Council violated chapter 42.17 RCW by: (1) failing to list on the C-1 Candidate Registration the time and location that campaign books of account would be open for public inspection; (2) failing to file timely, accurate reports of interest as it accrued; and (3) failing to file timely, accurate reports of monetary and in-kind contributions and expenditures. Your office forwarded the letter to the Public Disclosure Commission for investigation.

On August 24, 2006, PDC staff reported the results of its investigation to Jane Noland, Chair of the Public Disclosure Commission. A copy of the staff memorandum is enclosed. The investigation revealed insufficient evidence to prove that the activities of the 2001 Dwight Pelz Campaign for King County Council cited in the complaint constituted material violations of chapter 42.17 RCW. The Chair of the Commission reviewed the staff memorandum.

The Commission Chair accepted PDC staff's recommendation that no further action is warranted on the complaint. This letter conveys the Commission Chair's concurrence that no further action will be taken by the Commission on this complaint, and the Chair's recommendation that no action be taken by the Attorney General.

If we can be of assistance, please contact me at vrippie@pdc.wa.gov or 586-4838.

Sincerely,


Vicki Rippie
Executive Director

Enclosures: Staff Memorandum

c: Senior Assistant Attorney General Linda A. Dalton
Senior Counsel Nancy Krier
Richard L. Pope, Jr.
Dwight Pelz



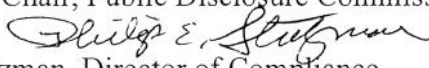


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MEMORANDUM

TO: Jane Noland, Chair, Public Disclosure Commission

FROM: Philip E. Stutzman, Director of Compliance 

DATE: August 23, 2006

SUBJECT: 45-Day Citizen Action Letter - Complaint filed against 2001 Dwight Pelz campaign PDC Case #06-319

The Public Disclosure Commission (PDC) staff has completed its investigation of a 45-day Citizen Action Letter received by the Attorney General's Office on February 7, 2006, that was forwarded to the PDC for investigation on February 13, 2006. The complaint alleged violations of RCW 42.17 by the 2001 Dwight Pelz re-election campaign.

PDC staff reviewed the complaint in light of the following statutes:

RCW 42.17.040 requires the C-1 Candidate Registration to include the location where campaign books of account will be open for public inspection in the eight days preceding each election in which the candidate will appear on the ballot. In the 2001 election, candidates were also required to specify two hours during which their books of account were to be available on a drop-in basis on the eighth day prior to each election.

RCW 42.17.080 and .090 require candidates to file reports of contributions and expenditures. The reports must be timely, complete, and accurate. A PDC form C-4, summarizing contributions and expenditures and providing detail on monetary expenditures, must be filed monthly, except for special reports due 21 and 7 days before each election. A PDC form C-3 must be completed for each contribution deposit and filed monthly, except during the four months preceding the 2001 election, when a C-3 was required to be filed each Friday.

I.
Listing Campaign Books Inspection Information on C-1

The complaint alleged that the Dwight Pelz campaign failed to list on the C-1 Candidate Registration the time and location that campaign books account would be open for public inspection.



We found that:

- On two C-1 registration statements filed far in advance of the 2001 election, Mr. Pelz indicated that the hours and location of campaign books inspection were yet to be determined. The campaign treasurer stated that failure to amend the registration before the 2001 election to include information about the inspection of campaign books was an oversight.
- Dwight Pelz faced no opponent in the 2001 general election, and the campaign did not receive a request to inspect its books and records.
- Mr. Pelz is no longer holding elective office.

Mr. Pelz will be cautioned to timely include records inspection information on his C-1 should he become a candidate in the future.

II.

Alleged Failure to File Timely, Accurate Reports of Interest Earned

The complaint alleged that the Dwight Pelz campaign failed to file timely, accurate reports of interest income as it accrued to the 2001 Pelz campaign account.

We found that:

- The Dwight Pelz campaign filed a single C-3 and C-4 report lumping three years' worth of interest income into a "deposit" that was reported as made in January of 2002. A memo accompanying those filings disclosed the amount of interest earned each year.
- Mr. Pelz's treasurer reported three year's of interest in a lump sum on one C-3 and C-4 report because she believed this reporting method to be preferred by the PDC, rather than amending multiple reports for past years.

Standard bank interest is excluded from the definition of "contribution" in RCW 42.17.020(15), and PDC staff has historically advised that such interest need not be reported in the same manner as contributions or receipts referenced in RCW 42.17.080 and .090. Staff has advised candidates and political committees that they may report interest on a periodic basis, rather than according to each month or statement cycle. Thus, no enforcement is warranted. Mr. Pelz will be reminded to report interest accruing to his campaign accounts on a more frequent periodic basis should he become a candidate in the future.

III.

Alleged Failure to File Timely, Accurate Reports of Contributions and Expenditures

The complaint alleged that the 2001 Dwight Pelz campaign failed to file timely, accurate reports of monetary and in-kind contributions and expenditures, including a \$152 in-kind contribution from Washington NARAL PAC.

We found that:

- The majority of Mr. Pelz's 2001 campaign activity was reported in a substantially timely manner. Out of \$77,524 in total receipts and \$57,721 in total expenditures, only \$8,325 in contributions and \$2,454 in expenditures were disclosed more than two days late. These contributions and expenditures were reported between 7 and 14 days late. The late-reported expenditures included \$2,224 in expenditures reported 14 days late and 7 days after the general election.
- An in-kind contribution from Washington NARAL PAC, received by Mr. Pelz on September 4, 2001, was not included on Schedule B to the C-4 filed for the 7-day pre-primary reporting period as required. However, all information concerning this contribution was timely disclosed on a memo filed on September 10, 2001, the day before the 7-day pre-primary report was due.

The Pelz campaign was in substantial compliance with contribution and expenditure reporting requirements for the duration of the campaign. Ninety-six percent of expenditures were reported on-time or no more than two days late. Only minimal expenditures were reported 14 days late and after the election. There were no prohibited campaign expenditures, and Mr. Pelz was unopposed in the general election. Thus, no enforcement is warranted. Mr. Pelz will be cautioned to insure that all reports are filed in a timely manner, should he become a candidate in the future.

Staff Recommendation

After a careful review of the alleged violation and relevant facts, we have concluded our investigation and, PDC staff recommends that a letter be sent to the Attorney General recommending that no further action be taken on the alleged violations listed in the Citizen Action Letter.